

## Message Text

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PAGE 01 BONN 08389 161616Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----170254Z 021051 /75-61  
R 161539Z MAY 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC 8294  
INFO USMISSION USBERLIN

C O N F I D E N T I A L BONN 08389

EXDIS

E.O. 11652: GDS  
TAGS: EAIR, PFOR, WB, GW, UK, FR, US  
SUBJECT: REACTIONS TO FARE INCREASE PROPOSALS

REF: A. STATE 106519, B. USBER 1284

1. REACTION IN THE FRG TO THE LATEST PAN AM-BA FARE INCREASE HAS BEEN MINIMAL, ALTHOUGH WE UNDERSTAND A CDU MEMBER HAS FILED A QUESTION IN THE BUNDESTAG ASKING THE GOVERNMENT TO EXPLAIN THE INCREASE. FOREIGN OFFICE AND MINISTRY OF TRANSPORTATION OFFICIALS SEEM GLUM BUT RESIGNED. WE ANTICIPATE THAT WHEN THE MATTER GETS TO THE BCATAG THE FRG LINE WILL BE, AS IT WAS LAST YEAR, TO CONCEDE THE NEED FOR AN INCREASE BUT ARGUE FOR A SMALLER ONE THAN REQUESTED. FRG RESISTANCE WILL BE WEAKENED SOMEWHAT BY FACT THAT LUFTHANSA HAS JUST RECEIVED FARE INCREASE OF ROUGHLY THE SAME AMOUNT SOUGHT BY THE IGS CARRIERS.

2. REAL PROBLEM, OF COURSE, IS BERLIN. HISTORICALLY REACTION IN BONN HAS BEEN CALM. WE CONCUR WITH REF B THAT IT IS ESSENTIAL TO PURSUE MATTER (ASSUMING WE DECIDE TO APPROVE THE PROPOSAL) IN A WAY  
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THAT WILL GIVE THE BERLIN PUBLIC AND GOVERNMENT NO CAUSE FOR FEELING UNDULY PRESSURED.

3. ON THIS PRINCIPLE AND BECAUSE USG HAS NOT PROCESSED PAN AM CASE, THE CAA HAS REFUSED BA REQUEST TACITLY SUPPORTED BY THE UK CAA THAT COMBINED BA-PAN AM CASE BE PRESENTED TO FOREIGN OFFICE A FEW DAYS

AFTER THE PRESENTATION OF 1976 PERFORMANCE FIGURES  
(PRESENTED MAY 6).

4. COMMENT: WE BELIEVE THAT CONCESSION MADE ON  
SUBMISSION OF PERFORMANCE DATA INDEPENDENTLY FROM  
FARE INCREASE EXERCISES IS AS FAR AS WE SHOULD GO AT  
PRESENT TOWARD INCREASING FRG AND BERLIN GOVERNMENT  
INVOLVEMENT IN ALLIED REGULATION OF THE IGS. WE  
THINK THIS PLUS REASONABLE TIME TO CONSIDER AIRLINES'  
CASES BEFORE BCATAG DISCUSSIONS OF FARE INCREASE  
PROPOSALS WILL SATISFY THE GERMAN SIDE. PROBLEM WILL  
BE TO KEEP BRITISH IN LINE. ALTHOUGH PROPOSAL TO  
MAKE PERFORMANCE FIGURES AVAILABLE WAS MADE BY THE  
THEN BRITISH CAA WITHOUT PRIOR CONSULTATION WITH HIS  
COLLEAGUES AND ALTHOUGH UK WAS THE FIRST TO COMMIT  
ITSELF TO SUCH PRESENTATIONS, BA HAS SHOWN COMPLETE  
INSENSITIVITY AND NON-COOPERATION. HMG AND THE UK  
CAA HAVE BEEN UNWILLING OR UNABLE TO DO ANYTHING  
ABOUT THIS. IT WAS ONLY AFTER WE MADE CLEAR THAT WE  
WOULD NOT SUPPORT A FARE INCREASE UNTIL AFTER PERFOR-  
MANCE FIGURES HAD BEEN GIVEN TO THE FRG THAT THE UK  
MADE BA'S FIGURES AVAILABLE. CARLSON OF PAN AM NEW  
YORK HAS TOLD US THAT PAN AM WILL PROVIDE ANNUAL  
STATISTICS AND WOULD NOT OBJECT TO THEIR BEING GIVEN  
TO THE FRG AS RECEIVED RATHER THAN AS PART OF A  
COMBINED IGS PERFORMANCE REPORT. IT SEEMS LIKELY  
THAT NEXT YEAR IN ORDER TO MAKE GOOD ON A COMMITMENT  
RESULTING FROM A UK INITIATIVE WE WILL HAVE TO PRESENT  
FIGURES WITHOUT THE BRITISH OR AT LEAST BE ABLE TO  
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MAKE A CREDIBLE THREAT TO DO SO.  
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## Message Attributes

**Automatic Decaptioning:** Z  
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**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**TAGS:** EAIR, PFOR, WB, GE, UK, FR, US, PANAM, BRITISH AIRWAYS, ISG  
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**Type:** TE  
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**Review Markings:**  
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